

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2014-7-G**

In the Matter Of	)	
	)	
Application of Piedmont Natural Gas	)	<b>COMMENTS OF</b>
Company, Inc. to Have Terms of the	)	<b>PIEDMONT NATURAL GAS</b>
Natural Gas Rate Stabilization Act Apply	)	<b>COMPANY, INC.</b>
to Its Rates and Charges for Gas	)	
Distribution Services	)	

Piedmont Natural Gas Company, Inc. (“Piedmont”), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of South Carolina Office of Regulatory Staff’s Examination of Piedmont Natural Gas Company’s Monitoring Report* (“Report”) prepared and filed in this proceeding by the Office of Regulatory Staff (“ORS”) on August 28, 2014.

Piedmont has carefully reviewed the August 28, 2014 Report and the proposed adjustments to Piedmont’s June 15, 2014 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 3, 2014, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the Report. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle for November, 2014 based upon the Report results and a return on equity of 10.2% in lieu of the existing approved rate of return on equity adopted in Piedmont’s last general rate case.

Revised rates and charges incorporating the Report adjustments and reflecting a rate of return on equity of 10.2% are attached hereto as Exhibits A and B.

Respectfully submitted this 11th day of September, 2014.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ Scott M. Tyler  
Scott M. Tyler  
James H. Jeffries IV

OF COUNSEL:  
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# EXHIBIT A

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2014

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Residential Service - Value 201</b>										
Bills - Winter	206,747				206,747	\$ 10.00			\$ 10.00	\$2,067,470
Bills - Summer	273,025				273,025	\$ 8.00			\$ 8.00	\$2,184,200
DTs - Winter	2,452,056	(115,795)	(40,885)	2,295,376		\$3.5240	\$0.9658	\$4.0708	\$8.5606	\$19,649,799
DTs - Summer	888,915	(89,207)	(13,995)	785,713		\$3.1143	\$0.9630	\$4.0708	\$8.1481	\$6,402,069
<b>Residential Service - Standard 221</b>										
Bills - Winter	405,708				405,708	\$ 10.00			\$ 10.00	\$4,057,080
Bills - Summer	569,970				569,970	\$ 8.00			\$ 8.00	\$4,559,760
DTs - Winter	3,674,533	(195,281)	(60,887)	3,418,365		\$3.5240	\$1.6571	\$4.0708	\$9.2519	\$31,626,372
DTs - Summer	989,381	(163,098)	(14,460)	811,823		\$3.1143	\$1.8333	\$4.0708	\$9.0184	\$7,321,345
<b><u>TOTAL RESIDENTIAL</u></b>										
<b>Bills</b>	<b>1,455,450</b>				<b>1,455,450</b>					
<b>DTs</b>	<b>8,004,885</b>	<b>(563,381)</b>	<b>(130,226)</b>	<b>7,311,278</b>						<b>\$77,868,095</b>
<b>Small General Service - Standard 202</b>										
Bills	120,442				120,442	\$ 22.00			\$ 22.00	\$2,649,724
DTs - Winter	1,899,451	(86,477)	(31,727)	1,781,247		\$2.9025	\$1.5794	\$4.0708	\$8.5527	\$15,234,471
DTs - Summer	451,321	(108,932)	(5,992)	336,397		\$2.7986	\$1.5006	\$4.0708	\$8.3700	\$2,815,645
<b>Small General Service - Value 232</b>										
Bills	47,144				47,144	\$ 22.00			\$ 22.00	\$1,037,168
First 200	1,078,410	(12,783)	(18,648)	1,046,979		\$2.9025	\$1.3705	\$4.0708	\$8.3438	\$8,735,779
Over 200	<u>303,698</u>	<u>(3,600)</u>	<u>(5,252)</u>	<u>294,846</u>		\$2.9025	\$1.2902	\$4.0708	\$8.2635	\$2,436,462
DTs - Winter	1,382,108	(16,383)	(23,900)	1,341,825						
First 200	1,100,908	(33,133)	(18,686)	1,049,089		\$2.7986	\$1.0769	\$4.0708	\$7.9463	\$8,336,375
Over 200	<u>149,144</u>	<u>(4,489)</u>	<u>(2,531)</u>	<u>142,124</u>		\$2.7986	\$0.9881	\$4.0708	\$7.8575	\$1,116,736
DTs - Summer	1,250,052	(37,622)	(21,218)	1,191,212						
<b>Medium General Service - Standard 252</b>										
Bills	138				138	\$ 75.00			\$ 75.00	\$10,350
DTs - Winter	85,108	(5,035)	(1,401)	78,672		\$2.9025	\$1.0114	\$4.0708	\$7.9847	\$628,170
DTs - Summer	27,320	(4,617)	(397)	22,306		\$2.7986	\$0.9436	\$4.0708	\$7.8130	\$174,274
<b>Medium General Service - Value 262</b>										
Bills	769				769	\$ 75.00			\$ 75.00	\$57,675
First 500	155,903	(3,696)	(2,664)	149,543		\$2.9025	\$0.7633	\$4.0708	\$7.7366	\$1,156,957
Over 500	<u>209,498</u>	<u>(4,966)</u>	<u>(3,579)</u>	<u>200,953</u>		\$2.9025	\$0.6608	\$4.0708	\$7.6341	\$1,534,093
DTs - Winter	365,401	(8,662)	(6,243)	350,496						
First 500	207,008	(1,328)	(3,599)	202,081		\$2.7986	\$0.4999	\$4.0708	\$7.3693	\$1,489,193
Over 500	<u>167,362</u>	<u>(1,073)</u>	<u>(2,910)</u>	<u>163,379</u>		\$2.7986	\$0.4178	\$4.0708	\$7.2872	\$1,190,575
DTs - Summer	374,370	(2,401)	(6,509)	365,460						
<b>Small General Service - Motor Fuel 242</b>										
Bills	19				19	\$ 22.00			\$ 22.00	\$418
DTs - Winter	6,174	0	0	6,174		\$2.3470	\$1.6229	\$4.0708	\$8.0407	\$49,643
DTs - Summer	7,880	0	0	7,880		\$2.3470	\$2.1966	\$4.0708	\$8.6144	\$67,881
Winter Rate per GGE*									\$1.01313	
Summer Rate per GGE*									\$1.08541	
<b><u>TOTAL COMMERCIAL</u></b>										
<b>Bills</b>	<b>168,512</b>				<b>168,512</b>					
<b>DTs</b>	<b>5,849,185</b>	<b>(270,129)</b>	<b>(97,388)</b>	<b>5,481,668</b>						<b>\$48,721,589</b>

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2014

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Rate Schedule										
<b>Large General Service - Sales 203</b>										
Bills	167				167	\$ 250.00			\$ 250.00	\$41,750
Demand DTs	25,630	0	0		25,630	\$5.0000	\$5.3565	\$0.0000	\$10.3565	\$265,437
First 1,500	97,443	0	0	97,443		\$1.8569	\$0.6954	\$4.0708	\$6.6231	\$645,375
Next 1,500	62,533	0	0	62,533		\$1.2998	\$0.5818	\$4.0708	\$5.9524	\$372,221
Next 7,500	22,155	0	0	22,155		\$0.9285	\$0.4773	\$4.0708	\$5.4766	\$121,334
Next 16,500	0	0	0	0		\$0.5571	\$0.2818	\$4.0708	\$4.9097	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$4.0708	\$4.3565	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Winter	182,131	0	0	182,131						
First 1,500	130,100	0	0	130,100		\$1.1141	\$0.5879	\$4.0708	\$5.7728	\$751,041
Next 1,500	61,848	0	0	61,848		\$0.7428	\$0.4787	\$4.0708	\$5.2923	\$327,318
Next 7,500	19,544	0	0	19,544		\$0.5571	\$0.6807	\$4.0708	\$5.3086	\$103,751
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$4.0708	\$4.7240	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$4.0708	\$4.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$4.0708	\$4.0708	\$0
DTs - Summer	211,492	0	0	211,492						
<b>Large General Service - Transportation 213</b>										
Bills	493				493	\$ 250.00			\$ 250.00	\$123,250
Demand DTs	86,629				86,629	\$5.0000	\$0.6806	\$0.0000	\$5.6806	\$492,105
Standby DTs					0	\$0.0000	\$4.6759	\$0.0000	\$4.6759	\$0
First 1,500	289,209	0	0	289,209		\$1.8569	\$0.5154	\$0.0708	\$2.4431	\$706,567
Next 1,500	222,655	0	0	222,655		\$1.2998	\$0.4162	\$0.0708	\$1.7868	\$397,840
Next 7,500	215,921	0	0	215,921		\$0.9285	\$0.3298	\$0.0708	\$1.3291	\$286,981
Next 16,500	3,980	0	0	3,980		\$0.5571	(\$0.3706)	\$0.0708	\$0.2573	\$1,024
Next 33,000	0	0	0	0		\$0.1857	\$0.1025	\$0.0708	\$0.3590	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	731,765	0	0	731,765						
First 1,500	390,339	0	0	390,339		\$1.1141	\$0.5265	\$0.0708	\$1.7114	\$668,026
Next 1,500	212,996	0	0	212,996		\$0.7428	\$0.4139	\$0.0708	\$1.2275	\$261,453
Next 7,500	169,689	0	0	169,689		\$0.5571	\$0.3326	\$0.0708	\$0.9605	\$162,986
Next 16,500	0	0	0	0		\$0.3714	\$0.3115	\$0.0708	\$0.7537	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$0.0708	\$0.3065	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	773,024	0	0	773,024						
<b>Interruptible Service - Sales 204</b>										
Bills	145				145	\$ 250.00			\$ 250.00	\$36,250
First 1,500	77,833	0	0	77,833		\$1.8569	\$1.0585	\$4.0708	\$6.9862	\$543,757
Next 1,500	47,729	0	0	47,729		\$1.2998	\$0.8376	\$4.0708	\$6.2082	\$296,311
Next 7,500	79,407	0	0	79,407		\$0.9285	\$0.8183	\$4.0708	\$5.8176	\$461,958
Next 16,500	78,763	0	0	78,763		\$0.5571	\$1.6772	\$4.0708	\$6.3051	\$496,609
Next 33,000	3,058	0	0	3,058		\$0.1857	\$0.5376	\$4.0708	\$4.7941	\$14,660
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$4.0708	\$4.4708	\$0
DTs - Winter	286,790	0	0	286,790						
First 1,500	103,627	0	0	103,627		\$1.1141	\$0.5676	\$4.0708	\$5.7525	\$596,114
Next 1,500	73,622	0	0	73,622		\$0.7428	\$0.5084	\$4.0708	\$5.3220	\$391,816
Next 7,500	101,909	0	0	101,909		\$0.5571	\$0.4688	\$4.0708	\$5.0967	\$519,400
Next 16,500	70,720	0	0	70,720		\$0.3714	\$0.5828	\$4.0708	\$5.0250	\$355,368
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$4.0708	\$4.6698	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$4.0708	\$4.1708	\$0
DTs - Summer	349,878	0	0	349,878						

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**PROPOSED REVENUE CALCULATIONS**

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Total Proposed Rates (9)	Total Proforma Revenue (10)
Rate Schedule										
<b>Interruptible Service - Transportation 214</b>										
Bills	595				595	\$ 250.00			\$ 250.00	\$148,750
First 1,500	356,403	0	0	356,403		\$1.8569	\$0.5091	\$0.0708	\$2.4368	\$868,483
Next 1,500	321,205	0	0	321,205		\$1.2998	\$0.4087	\$0.0708	\$1.7793	\$571,520
Next 7,500	793,731	0	0	793,731		\$0.9285	\$0.3077	\$0.0708	\$1.3070	\$1,037,406
Next 16,500	443,908	0	0	443,908		\$0.5571	\$0.2046	\$0.0708	\$0.8325	\$369,553
Next 33,000	35,027	0	0	35,027		\$0.1857	\$0.1079	\$0.0708	\$0.3644	\$12,764
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Winter	1,950,274	0	0	1,950,274						
First 1,500	514,823	0	0	514,823		\$1.1141	\$0.5254	\$0.0708	\$1.7103	\$880,502
Next 1,500	420,177	0	0	420,177		\$0.7428	\$0.4215	\$0.0708	\$1.2351	\$518,961
Next 7,500	910,725	0	0	910,725		\$0.5571	\$0.3200	\$0.0708	\$0.9479	\$863,276
Next 16,500	424,248	0	0	424,248		\$0.3714	\$0.2962	\$0.0708	\$0.7384	\$313,265
Next 33,000	0	0	0	0		\$0.1857	\$0.2516	\$0.0708	\$0.5081	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0708	\$0.0708	\$0
DTs - Summer	2,269,973	0	0	2,269,973						
<b><u>TOTAL INDUSTRIAL</u></b>										
Bills	1,400				1,400					
Demand	112,259				112,259					
DTs	6,755,327	0	0	6,755,327						
										<b>\$15,025,182</b>
<b>Outdoor Gaslight Service - Rate 205</b>										
Fixtures	36	0	0	36		\$ 15.00			\$ 15.00	\$540
DTs - Winter	16	0	0	16						
DTs - Summer	22	0	0	22						
<b>Annual Revenues From Special Contracts</b>										<b>\$ 2,152,785</b>
<b><u>TOTAL ALL RATE SCHEDULES</u></b>										
TOTAL BILLS	1,625,362				1,625,362					
TOTAL WINTER DTs	13,015,807	(427,633)	(165,043)	12,423,131						
TOTAL SUMMER DTs	7,593,628	(405,877)	(62,571)	7,125,180						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
TOTAL SALES DTs	14,884,399	(833,510)	(227,614)	13,823,275						
TRANSPORTATION DTs	5,725,036	0	0	5,725,036						
ANNUAL TOTAL DTs	20,609,435	(833,510)	(227,614)	19,548,311						
										<b>REVENUE \$ 143,768,191</b>

\* The rates convert 1.26 therms to 1 GGE.

# **EXHIBIT B**

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2014

### WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
<b>Residential</b>						
Value Rate - 201	0.85606	0.09658	0.40708	0.35240	0.17858	17.73654
Standard Rate - 221	0.92519	0.16571	0.40708	0.35240	0.15220	4.50452
<b>Commercial</b>						
<b>Rate 202 - Std</b>	0.85527	0.15794	0.40708	0.29025	0.66352	4.83409
<b>Rate 232 - Val</b>						
First 2,000 therms	0.83438	0.13705	0.40708	0.29025	0.50487	414.59949
Over 2,000 therms	0.82635	0.12902	0.40708	0.29025	0.50487	414.59949
<b>Rate 252 - Std</b>	0.79847	0.10114	0.40708	0.29025	25.75640	836.22202
<b>Rate 262 - Val</b>						
first 5,000 therms	0.77366	0.07633	0.40708	0.29025	5.99791	7915.79564
over 5,000 therms	0.76341	0.06608	0.40708	0.29025	5.99791	7915.79564



## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight upon:

Carey Stites  
Tom Allen  
Shannon Bowyer Hudson  
Office of Regulatory Staff  
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And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email or U.S. Mail upon:

David Carpenter  
Vice President  
Planning and Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
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and

Pia Powers  
Director - Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
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This the 11th day of September, 2014.

s/ Scott M. Tyler  
Scott M. Tyler